

WASHINGTON, D.C. As the new fiscal year begins, U.S. Representative Sanford Bishop says Republican majority leaders in Congress are not doing enough to slow down the runaway deficit that “threatens to prolong the country’s economic slump and undermine the security and well being of every American.

The new fiscal year began at midnight, October 1, when the old budget expired and a new budget cycle got underway.

In connection with the start of fiscal 2004, the Second District Congressman called on majority leaders in the U.S. House and Senate to reconsider their refusal to delay or scale back the tax cuts enacted earlier this year for Americans in the top income brackets in order to save revenue that could be used to reduce the deficit and fund the nation’s most critical needs. If majority leaders could come up with a better alternative, he challenged them to produce it.

Representative Bishop issued the following statement:

“While I would like to wish everyone a happy fiscal year, the outlook for the next 12 months does not look good-not at all when the federal government is expected to sink \$525 billion deeper in debt, setting a new record for deficit spending that threatens to prolong the country’s economic slump and undermine the security and well being of every American.

“This is the biggest projected deficit in history-- \$125 billion bigger than this past fiscal year’s record-busting figure, and \$235 billion bigger than the previous record set in 1992.

“Because of the slumping economy and big tax cuts, the federal government is taking in much less revenue-- \$121 billion less this past fiscal year than the previous one! And, because of the operations in Afghanistan and Iraq and the global campaign against terrorism, federal costs are soaring. This is a real fiscal crisis.

“Yet, Republican majority leaders in the U.S. House and Senate are not doing everything that could be done to mitigate the threats posed by the crisis. First, government borrowing to cover extreme deficit spending can wreck any chance for an economic recovery. Second, the revenue shortfall is already forcing drastic funding cuts in many crucial federal programs, leaving dangerous gaps in homeland security, drastically under funding key educational programs, and leaving military personnel training living in outdated, ill-equipped housing and training facilities.

“Now the President is asking Congress to appropriate \$87 billion more to fund our efforts in Iraq. Every dime of this funding will have to be borrowed. I support our troops, and support whatever funding it takes to enable them to carry out their mission as safely as possible.

“But we’re also asked for more to rebuild Iraq’s infrastructure when we are cutting funding for our own infrastructure at home. We’re asked to build hospitals and provide for the health care of the people of Iraq-while not providing for the health care needs of our own people. We’re asked to build schools in Iraq-while many of our own schools are overcrowded and in terrible disrepair. We’re asked to build roads in Iraq-while we’re under funding the roads and highways that are desperately needed here in our own country to strengthen the economy and provide for the

safety of our people. We're asked to provide economic development funding for Iraq-while cutting our economic development programs at home.

"Along with other like-minded members of Congress, I advocate scaling back or delaying the tax cuts enacted earlier this year in the highest income brackets. I have proposed that Congress to trim back just the tax cut for Americans earning more than \$1 million a year from an average of \$88,326 to \$83,326. This relatively small reduction of \$5,000 would provide \$1 billion to help slow the deficit and provide for the country's most critical needs.

"So far, however, the majority leadership has rejected this option.

"As we enter a new fiscal year, I challenge majority leaders to make the tough choices. It is not a partisan issue. Many Republicans and Democrats alike are calling for fiscal restraint. It's about making priority choices that are in everyone's best interests. If the majority leadership rejects any delay in tax cuts, even for those who need them the least, I challenge them to propose a viable alternative.

"I support cutting taxes as deeply as the country can afford. I voted for the tax cut packages enacted in 2001 and 2002 because it appeared then that the revenue flow would be sufficient to pay for them. I believed then, and still believe, that tax cuts can sooner or later stimulate the economy. However, the vigorous economic turnaround we had hoped for has not yet occurred. Instead, the fiscal crisis is getting worse every day.

"Congress still has time to make fiscally responsible adjustments as it finishes work on the budget for fiscal 2004, and we can try again when work begins early next year on the budget for fiscal 2005. But the risk grows every day."